

EXHIBIT A

STATE OF NORTH CAROLINA

STOKES County

File No.

18 CVS 184

In The General Court Of Justice

☐ District ☒ Superior Court Division

Name Of Plaintiff

LIFEBRITE HOSPITAL GROUP OF STOKES, LLC

Address

c/o Michael R. Bennett, Esq.

City, State, Zip

P.O. Box 775, King, NC 27021

VERSUS

Name Of Defendant(s)

BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA

CIVIL SUMMONS

☐ ALIAS AND PLURIES SUMMONS (ASSESS FEE)

G.S. 1A-1, Rules 3 and 4

Date Original Summons Issued

Date(s) Subsequent Summons(es) Issued

To Each Of The Defendant(s) Named Below:

Name And Address Of Defendant 1

Blue Cross and Blue Shield of North Carolina
by serving Louis Patalano, IV, Registered Agent
P.O. Box 2291
Durham, NC 27702

Name And Address Of Defendant 2

A Civil Action Has Been Commenced Against You!

You are notified to appear and answer the complaint of the plaintiff as follows:

1. Serve a copy of your written answer to the complaint upon the plaintiff or plaintiff's attorney within thirty (30) days after you have been served. You may serve your answer by delivering a copy to the plaintiff or by mailing it to the plaintiff's last known address, and
2. File the original of the written answer with the Clerk of Superior Court of the county named above.

If you fail to answer the complaint, the plaintiff will apply to the Court for the relief demanded in the complaint.

Name And Address Of Plaintiff's Attorney (if none, Address Of Plaintiff)

Michael R. Bennett, Esq.
Bennett & West, PLLC
P.O. Box 775
King, NC 27021

Date Issued

3-9-18

Time

2:10

☐ AM

☒ PM

Signature

Christina Boles

☒ Deputy CSC

☐ Assistant CSC

☐ Clerk Of Superior Court

☐ ENDORSEMENT (ASSESS FEE)

This Summons was originally issued on the date indicated above and returned not served. At the request of the plaintiff, the time within which this Summons must be served is extended sixty (60) days.

Date Of Endorsement

Time

☐ AM

☐ PM

Signature

☐ Deputy CSC

☐ Assistant CSC

☐ Clerk Of Superior Court

NOTE TO PARTIES: Many counties have **MANDATORY ARBITRATION** programs in which most cases where the amount in controversy is \$25,000 or less are heard by an arbitrator before a trial. The parties will be notified if this case is assigned for mandatory arbitration, and, if so, what procedure is to be followed.

(Over)

AOC-CV-100, Rev. 6/16

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NORTH CAROLINA
STOKES COUNTY

LIFEBRITE HOSPITAL GROUP OF
STOKES, LLC,

Plaintiff,

v.

BLUE CROSS AND BLUE SHIELD OF
NORTH CAROLINA,

Defendant.

IN THE GENERAL COURT OF JUSTICE
FILED SUPERIOR COURT DIVISION

18 CVS 184

2018 MAR -9 P 2:10

STOKES)
BY) *CP*

COMPLAINT

Now comes Plaintiff LifeBrite Hospital Group of Stokes, LLC, complaining of Defendant Blue Cross and Blue Shield of North Carolina, alleges:

FACTUAL BACKGROUND

1. LifeBrite Hospital Group of Stokes, LLC (hereinafter "LifeBrite") is a healthcare company organized and existing under the laws of the State of Georgia and is registered in North Carolina as a foreign company. LifeBrite's principal place of business is located in Danbury, Stokes County, North Carolina.

2. Blue Cross and Blue Shield of North Carolina (hereinafter "BCBSNC") is a not-for-profit corporation organized and existing under the laws of the State of North Carolina with its principal place of business in Durham County, North Carolina, and with offices in Wake County, North Carolina.

3. This is an action concerning the refusal of BCBSNC to compensate LifeBrite for covered services rendered to BCBSNC and/or its affiliate's insureds. This is also an action based on contract and breach of contract by BCBSNC, and for unjust enrichment by LifeBrite against BCBSNC.

4. This Court has jurisdiction over Defendant pursuant to N.C. Gen. Stat. 1-75.4 and other applicable law.

5. Venue is proper in this Court pursuant to N.C. Gen. Stat. 1-79 and other applicable law.

6. LifeBrite operates a critical access hospital known as LifeBrite Community Hospital of Stokes in Danbury, Stokes County, North Carolina (the "Hospital"). The Hospital offers a variety of customary hospital services, including inpatient, outpatient and outreach laboratory.

7. BCBSNC is the largest provider of private health insurance in North Carolina. It is a licensee of the Blue Cross Blue Shield Association (the "Association") which is a federation of thirty-six (36) independent health insurance organizations and companies (the independent plans are referred to as "BCBS Affiliates"). (<https://www.bcbs.com/about-us/blue-cross-blue-shield-system>)

8. The Association operates the Blue Card program which allows policy holders of BCBS Affiliates to secure healthcare nationwide from other BCBS Affiliates, including but not limited to BCBSNC. See Exhibit A.

9. LifeBrite and BCBSNC are parties to that Network Participation Agreement which requires LifeBrite to provide services to members covered by plans issued or administered by BCBSNC, its affiliates or another BCBS Affiliate (a "Member"). In turn, BCBSNC is required to compensate LifeBrite for such services. A copy of the Network Participation Agreement, and its assignment to LifeBrite, is attached hereto as Exhibit B. (pricing information is redacted).

10. The Network Provider Agreement adopts by specific reference and incorporates BCBSNC's policies and procedures. These policies and procedures are found in the "Blue Book," which is accessible at: http://bcbs.com/assets/providers/public/pdfs/BlueBook_July2016.pdf. Copies of the relevant excerpts are attached as Exhibit C. Section(s) 5.1 clearly states that all Blue Card claims, i.e. claims for members of a BCBS Affiliate holding a blue card, should be sent to BCBSNC and 5.1.1 clearly state that the Blue Card program applies to all claims except for the following: prescription drugs, stand-alone dental, stand-alone vision and Federal Employees Program. These provisions are material to the Network Provide Agreement.

11. Starting with dates of service of November 14, 2017, in clear contravention and in breach of the Network Participation Agreement, BCBSNC unilaterally started denying several Blue Card claims stating that the claims should be sent to the State where the lab specimen was drawn. These denials are a breach of the Network Provider Agreement and has been continual since December 12, 2017. As of the date of filing of this Complaint, the Plaintiff has been damaged in excess of \$15,490,440.00.

12. By and through its agents, LifeBrite made several good faith efforts to resolve this matter with BCBSNC, including but not limited to telephone calls and written correspondence to Network Management as set forth and required in the Network Participation Agreement.

FIRST CAUSE OF ACTION BREACH OF CONTRACT

13. LifeBrite realleges and incorporates all of the foregoing paragraphs set forth in the Complaint.

14. BCBSNC has materially breached the Network Participation Agreement by its refusal to process claims and reimburse LifeBrite for services rendered to its members.

15. LifeBrite is entitled to a judgment against the BCBSNC of the full amount due under the Network Participation Agreement because of BCBSNC's breach, plus interest at the rate of eight percent (8.0%) per annum, plus reasonable attorney fees.

**SECOND CAUSE OF ACTION
UNJUST ENRICHMENT**

16. LifeBrite realleges and incorporates all of the foregoing paragraphs set forth in the Complaint.

17. In the alternative, LifeBrite's provision of services to Members conferred a valuable benefit to BCBSNC. BCBSNC has received services from LifeBrite in excess of \$25,000.00, to which it should be required to compensate LifeBrite for the reasonable value of those services.

18. LifeBrite is entitled to a judgment in excess of \$25,000.00 from BCBSNC for the unjust enrichment of BCBSNC.

WHEREFORE, the Plaintiff prays of the Court the following relief:

1. That the Court enter a judgment against the Defendant in the amount of the outstanding balance due under the Network Participation Agreement which is in excess of \$25,000.00, plus all such other interest and charges as become due under the Network Participation Agreement during the pendency of this litigation;

2. That the Court award Plaintiff interest at the rate of eight percent (8.0%) as of the date of the breach of the Network Participation Agreement;

4. That the Court award Plaintiff a judgment against Defendant for an amount in excess of \$25,000.00, from BCBSNC for unjust enrichment;

5. That the Court award Plaintiff reasonable attorney fees and costs; and

6. For such other and further relief as the Court deems just and proper.



Michael R. Bennett, Esq.
N.C. State Bar No. 16551

OF COUNSEL:

BENNETT & WEST, PLLC
P.O. Box 775
King, NC 27021
(336) 983-3177



BlueCross BlueShield
of New Mexico



[Print](#)

BlueCard® Program Claim Filing

The BlueCard Program links participating health care providers and the independent Blue Cross and Blue Shield (BCBS) Plans across the country and around the world through a single electronic network for claims processing and reimbursement.

The program allows you to submit claims for patients from other domestic and international BCBS Plans directly to your local Blue Plan. Your local Blue Plan will be your contact for claims payment, problem resolution, adjustments, and inquiries.

Identifying BlueCard members

The main identifiers are:

- ▶ PPO in a suitcase logo, for eligible PPO members
- ▶ Empty suitcase logo, for Traditional, POS or HMO members
- ▶ PPOB in a suitcase logo, for PPO members with access to the BlueCard PPO Basic network
- ▶ Blank suitcase logo
- ▶ Three-digit alpha prefix of the identification number (correctly routes BlueCard claims for processing):



Verify eligibility and benefits

We suggest that you **make copies of the ID card (front and back)** and pass this key information on to your billing staff.

- ▶ **Electronic:** Receive real-time responses to your eligibility requests through Availity® or your preferred vendor portal:
- ▶ **Telephone:** Call BlueCard Eligibility at **800-676-BLUE (2583)**. The BlueCard Eligibility line is for eligibility, benefits and preauthorization inquiries only.

Obtain preauthorization

General information on pre-certification/preauthorization information can be found on the Out-of-Area member Medical Policy and Pre-Authorization/Pre-Certification Router utilizing the three digit prefix on the member's ID card.


Electronic: BCBSNM contracted providers who are registered with Availity can submit electronic preauthorization requests for out-of-area Blue Plan members. For additional information refer to our Pre-Service Review for Out-of-Area Members tip sheet.

Telephone: Call BlueCard Eligibility at 800-676-BLUE (2583)

File BlueCard claims

After the patient receives care, **submit the claim:**

Electronically: All BCBSNM facility (UB04) and professional (CMS-1500) claims (excluding adjustments) can be filed electronically at no charge through the Availity® Health Information Network. For more information about submitting claims, refer to

Section 8 - Claims , in the Provider Reference Manual.

For paper claims, send to:

**Blue Cross and Blue Shield of New Mexico
P.O. Box 27630
Albuquerque, NM 87125-7630**

- ▶ To ensure prompt payment, include the patient's complete identification number, including the three-digit prefix.
- ▶ Please do not request complete payment up front. After we receive your claim, we will electronically route it to the patient's BCBS Plan. The patient's Plan then processes the claim and authorizes payment. We will then pay you according to our contract with you.
- ▶ Do not send duplicate claims. Sending another claim, or having your billing agency resubmit claims automatically, actually slows down the claims payment process and creates confusion for the member.

Filing Ancillary Claims

Ancillary providers include independent clinical laboratory, durable/home medical equipment and supplies, and specialty pharmacy providers. These providers should submit claims as follows:

Independent Clinical Laboratory (Lab)

- ▶ The Plan in whose state the specimen was drawn based on the location of the referring provider.

Durable/Home Medical Equipment and Supplies (DME)

- ▶ The Plan in whose state the equipment was shipped to or purchased at a retail store.

Specialty Pharmacy

- ▶ The Plan in whose state the ordering physician is located.

Refer to the Ancillary Claims section of the BlueCard Program Provider Manual ▯ for examples in filing ancillary claims.

Claim Status

You or your billing agent can obtain real-time results by checking claim status through the Availity® Claim Research Tool ▯ or your preferred vendor. The Claim Research Tool provides the equivalent of an Explanation of Benefits (EOB), including line item breakdowns and detailed denial descriptions. All results are printable and can be used as a duplicate EOB for another insurance carrier when requested.

Need more information?

See the BlueCard Program Provider Manual ▯ or frequently asked questions ▯. View the member information about the BlueCard Program.

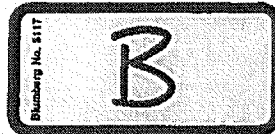
* If you contract with more than one Plan in a state for the same product type (i.e., PPO or Traditional), you may file the claim with either Plan.

Availity is a trademark of Availity, L.L.C., a separate company that operates a health information network to provide electronic information exchange services to medical professionals. Availity provides administrative services to BCBSNM. Aerial, iExchange and Medecision® are trademarks of Medecision, Inc., a separate company that offers collaborative health care management solutions for payers and providers. BCBSNM makes no endorsement, representations or warranties regarding

any products or services offered by Availity or Meddecision. The vendors are solely responsible for the products or services they offer. If you have any questions regarding any of the products or services they offer, you should contact the vendor(s) directly.

HOME | LEGAL AND PRIVACY | NON-DISCRIMINATION
NOTICE

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee Association.



NETWORK PARTICIPATION AGREEMENT

THIS NETWORK PARTICIPATION AGREEMENT (the "Agreement") is between Blue Cross and Blue Shield of North Carolina, an independent licensee of the Blue Cross and Blue Shield Association, (herein collectively and individually, as applicable, referred to as "we" "us" and "our"), and Pioneer Health Services of Stokes County, Inc. d/b/a Pioneer Community Hospital of Stokes, a critical care hospital (herein referred to as "you" and "your") (the parties collectively referred to in this Agreement are the "parties").

WHEREAS, The parties to this Agreement seek to facilitate the efficient and cost-effective delivery of quality health care services to Members; and

WHEREAS, we contract directly or indirectly with certain employers, individuals, plan sponsors, labor unions, trusts, associations, or other organizations or entities to provide, insure, arrange for or administer the provision of Covered Services to Members; and

WHEREAS, we contract directly or indirectly with certain health care providers, intermediaries and provider organizations to provide, arrange for or administer the delivery of such Covered Services to Members; and

WHEREAS, you provide certain acute hospital Covered Services at the sites listed in the Site of Service Exhibit and wish to make those Covered Services available to our Members; and

WHEREAS, you have agreed to participate in the Benefit Plans specified herein under the terms described in this Agreement; and

WHEREAS, each party desires to enter into this Agreement to govern the terms of their relationship.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. GENERAL DEFINITIONS.

The following are general definitions of technical insurance, managed care, or other terms, which apply to this Agreement, and will be construed consistent with definitions included in the applicable evidence of coverage. Terms not specifically defined in this Agreement will be defined as set forth in our Policies and Procedures, Benefit Plan materials, or other written materials, as applicable.

1.0. "Affiliate" means any of our direct or indirect subsidiaries or the direct or indirect subsidiaries of our ultimate corporate parent company.

1.1. "Benefit Plan" means the particular set of health benefits and services provided as set forth in an applicable evidence of coverage, that is issued to an individual or to a Group and that describes the terms, conditions, limitations, exclusions, benefits, rights and obligations relating to the Member's health benefits and services. The evidence of coverage may be issued by us, by an Affiliate or by another Blue Cross and/or Blue Shield plan, or through the Blue Cross and Blue Shield Association, and may be serviced by any of these parties on an insured basis or administered in the case of a self-insured group. The Benefit Plans subject to this Agreement are as set forth in the Benefit Plan Exhibit(s).

1.11. "HMO" means a health maintenance organization Benefit Plan pursuant to Article 67 of Chapter 58 of the North Carolina General Statutes, or successor thereof; for plans not governed by North Carolina law, HMO shall mean those plans designated as HMO by us in the provider manual and/or Benefit Plan Exhibit.

1.12. "Medically Necessary" or "Medical Necessity" means those Covered Services or supplies that are:

- Provided for the diagnosis, treatment, cure, or relief of a health condition, illness, injury, or disease; and, except as allowed under NCGS 58-3-255, not for experimental, investigational, or cosmetic purposes;
- Necessary for and appropriate to the diagnosis, treatment, cure, or relief of a health condition, illness, injury, disease, or its symptoms;
- Within generally accepted standards of medical care in the community;
- Not solely for the convenience of the insured, the insured's family, or the provider.

1.13. "Member" as used in this Agreement means an individual designated by us who is eligible for coverage and/or benefits and is properly enrolled in a Benefit Plan.

1.14. "NCQA" means the National Committee for Quality Assurance.

1.15. "PPO" means a preferred provider organization Benefit Plan offered by us pursuant to Article 50 of Chapter 58 of the North Carolina General Statutes, or successor thereof; for plans not governed by North Carolina law, PPO shall mean those plans designated as PPO by us in the provider manual and/or Benefit Plan Exhibit.

1.16. "Policies and Procedures" mean those rules, regulations, programs, policies and procedures adopted by us or our designee(s), including but not limited to those referenced in Section 2.3.1.

1.17. "Practitioner" means any practitioner of health care services who is duly licensed to administer such services by the state in which Covered Services are performed, subject to any licensure or regulatory limitation as to location, manner, or scope of practice.

1.18. "Provider Network" consists of those Practitioners and institutional health care providers that have entered into agreements with us to provide health care services to Members enrolled in such Member's Benefit Plan.

1.19. Additional Definitions. Additional terms may be defined in the Exhibits attached hereto.

2. YOUR SERVICES AND OBLIGATIONS

2.1. Member Services.

2.1.1. Services to be Provided. You agree to render Medically Necessary Covered Services to Members according to our Policies and Procedures and according to the terms of this Agreement. You further agree to render services in accordance with the requirements of any certificate of need issued to you and that we will not be obligated to pay you for services rendered which are not in conformance with applicable certificate of need requirements. The fact that a Practitioner may prescribe, order, or approve a service or supply does not, of itself, make it a Covered Service or Medically Necessary. Nothing herein will be construed to require you to provide Covered Services which you do not provide to the general public.

2.2.1.1 State License. You hereby represent that you are presently licensed as an acute care hospital under North Carolina law.

2.2.1.2. Certifications and Accreditations. You hereby represent that you have, and will maintain in good standing, certifications and accreditations as may be required by law or us, including but not limited to certification to participate in the Medicare Program under Title XVIII of the Social Security Act, as amended, certification to participate in the Medicaid Program under Title XIX of the Social Security Act, as amended, and accreditation by the Joint Commission on Accreditation of Healthcare Organizations. Evidence of maintaining such certifications and accreditation will be submitted to us upon request.

2.2.1.3. Qualified Workers. You hereby represent that all employees, agents, and independent contractors engaged or hired by you are qualified and if applicable, duly licensed.

2.2.1.4. Debarment. You hereby represent that you have not been debarred, (i) by the Secretary of Health and Human Services from participation in any health care program pursuant to 45 U.S.C. § 1128, or successor, or (ii) by any other federal or state agency possessing authority to debar potential government contractors, and that you are not, to your knowledge, under investigation for any such debarment. In the event that you are debarred by a federal or state agency, we may terminate this agreement immediately.

2.2.2. Credential Verification Program.

2.2.2.1. Maintenance of License. You agree to maintain, and submit to us upon request, evidence of licensure, accreditation, registration, certification, and all other credentials sufficient to meet all applicable federal and state laws and regulations and our credential verification program requirements.

2.2.2.2. Compliance With Program. You agree to comply with our credential verification program and to assist in the credentialing and recredentialing process. You further agree that we may review any and all records and documents which bear upon your credentials, whether in your possession or in the possession of other individuals or organizations.

2.2.3. Insurance. You, at your sole cost and expense, agree to procure and maintain such policies of general liability, professional liability and other insurance as is necessary to insure you and any of your employees, or agents against any claim or claims for damages arising by reason of personal injuries or death in connection with the performance of services provided by you, the use of your property and facilities, and the activities performed by you in connection with this Agreement. Each of such policies will meet or exceed the limits that were stated in BCBSNC's credentialing criteria as of your most recent credentialing by us. You must provide copies of such policies or documentation of self-insurance to us upon request.

2.2.4. Notice of Changes. You agree to notify us in writing of subsequent changes in status of any information relating to your credentials, licenses, and certifications, as well as changes in professional liability or other insurance as soon as possible but no later than ten (10) business days of your discovery of any such changes.

2.2.5. Other Required Notices. You agree to notify us promptly, but in no event later than thirty (30) business days following the occurrence of any of the following:

2.2.5.1. any change in your notice address;

Such information may include, among other things, summary information, descriptions of available services, and information regarding cost and quality. We agree that you may review and provide comments regarding any such materials that reference you, other than provider directories, prior to those materials being made available to Members and others. You further agree that any materials of any nature whatsoever developed by you or on your behalf which make reference to us will be first submitted in writing by notice to us for our prior written approval, not to be unreasonably withheld, except, however, you may list your participation under this Agreement by strictly following the brand regulation guidelines described in the provider manual.

3. OUR SERVICES AND OBLIGATIONS.

3.1. Certificate of Authority. We represent that we have maintained and continue to maintain appropriate licensure and authorization necessary to operate as a health insurer or health maintenance organization, as applicable, under the statutes of the State of North Carolina. We represent that we have established procedures to comply with applicable laws and regulations of state, federal and other agencies having jurisdiction over us.

3.2. Administrative Services.

3.2.1. Marketing and Administration. We agree to perform or to have performed on our behalf, certain marketing, enrollment, administrative, accounting and other functions we may deem necessary to the administration of our Benefit Plans and the performance of this Agreement. We agree to make best efforts to furnish identification cards to Members prior to the Member's effective date and to educate Members in our Policies and Procedures through Member handbooks and toll-free telephone access to a Member services department.

3.2.2. Provider Directories. For the Benefit Plans in which you participate, we agree to list you in our provider directories that are made available to Members. However, should either party issue notice of termination, our obligation to list you in the provider directory will not apply during such termination notice period.

3.2.3. Member Eligibility Verification. We agree to provide a mechanism that allows you to verify Member eligibility before rendering services, based on current information held by us. Such verification may be subject to retroactive adjustments pursuant to Section 4.8.

3.2.4. Member Relationship. We agree to be responsible for making judgments and decisions concerning whether certain services or supplies are Covered Services under the Benefit Plan and the extent to which payment may or may not be made thereunder.

3.2.5. Program Information. We agree to provide a provider manual, incorporated herein by reference, containing current information concerning benefit exclusions and Policies and Procedures. We agree to update such information as changes in requirements are made, with no fewer than sixty (60) days' prior notice. To the extent your compensation is related to efficiency criteria, we agree to provide performance feedback reports or information to you.

3.2.6. Insurance. We, at our sole cost and expense, agree to procure and maintain such policies of general liability and other insurance as are necessary to insure us and our employees against any claim or claims for damages arising by reason of personal injuries or death occasioned directly or indirectly in connection with the use of any property and facilities provided by us and the activities performed by us in connection with the Agreement. Such policies will be made available to you for your examination at our corporate office during normal business hours.

unless (a) you have undertaken reasonable collection efforts and are unable to collect the Deductible, Coinsurance, or Copayment; or (b) you have determined that the particular Member is indigent, or (c) such waiver is in compliance with your written policy approved and on file with us, such approval not to be unreasonably withheld. Any such amounts waived by you contrary to this Section 4.4 will be deducted from the amount you are otherwise entitled to pursuant to this Agreement.

4.5. Hold Harmless.

4.5.1. Payment in Full. You agree to accept the amounts due in accordance with the attached Reimbursement Exhibit(s), including applicable Deductibles, Coinsurance and Copayments, as payment in full for Medically Necessary Covered Services provided to Members of the Benefit Plans corresponding to the Reimbursement Exhibit(s). The amounts due may differ based on the specific product as a result of different benefit designs and claims adjudication methodologies. In no event, including but not limited to our non-payment or insolvency or breach of this Agreement, will you seek payment from a Member or third party for Medically Necessary Covered Services provided to Members, including but not limited to subrogation and workers' compensation, except as otherwise provided in this Section 4.5.

4.5.2. Timeliness of Claim Submission. You agree not to bill, charge, seek compensation or remuneration or reimbursement, or collect from the Member or us any amount for services or supplies provided to a Member for which a claim was not submitted to us in accordance with Section 4.2.2.

4.5.3. Member Contributions and Third Party Liability. This Section 4.5 will not prohibit the collection of any Deductible, Copayment, or Coinsurance in accordance with Section 4.4 hereof. In addition, this Section 4.5 will not prohibit the billing and collection of amounts payable by third party carriers when such parties are responsible for paying for Covered Services in accordance with our coordination of benefits and third party liability policies.

4.5.4. Survival. You further agree that the provisions of this Section 4.5 will survive termination of this Agreement regardless of the causes giving rise to such termination, will be construed to be for the Members' benefit, and will supersede any oral or written contrary agreement now existing or hereafter entered into between you and a Member or persons acting on behalf of a Member.

4.5.5. Non-Covered Services. You agree not to bill, charge, seek compensation, remuneration or reimbursement from any Member, us, or any third party for health care services and/or supplies provided to Members which are determined by us not to be Medically Necessary, or are not payable due to your failure to follow our applicable Policies and Procedures, except as provided in Section 4.5.6 below.

4.5.6. Member's Written Authorization Required. Notwithstanding the provisions of Section 4.5.5, you may seek compensation from the Member for non-Medically Necessary Services or other non-Covered Services only if you obtain the written authorization of the Member prior to rendering the services. Such authorization must reference the specific services and/or supplies to be provided, contain the Member's acknowledgment that such services and/or supplies may not be covered by his or her Benefit Plan, and indicate the Member's agreement to pay for such services and/or supplies apart from his or her Benefit Plan. You further agree to provide us with a copy of any and all such written authorizations upon request.

4.6. Retroactive Eligibility Adjustments. You agree to accept and abide by retroactive adjustments made by us to our Member eligibility records and associated adjustments to your reimbursement. We agree to use best efforts to make retroactive adjustments within ninety (90) days after

agree to maintain medical records on the same basis as for all other patients, and to make such information available to us and other Provider Network providers when necessary for the treatment and evaluation of Members, as permitted by law or the terms and conditions governing the Member's Benefit Plan. You agree that we or our designated representative have the right upon thirty (30) days prior written notice, to inspect and audit at reasonable times your medical and financial records relating to services and/or supplies provided to Members and the administration of this Agreement, and you agree to duplicate and submit to us at no charge copies of such records as might be reasonably requested by us. Such right of audit may be for the purpose of complying with requests of the North Carolina Department of Insurance, verifying services provided, verifying contract compliance, or such other lawful purposes as we may reasonably require. Notwithstanding the above, no prior written notice shall be required when we inspect and audit based on suspected fraud or abuse.

6.1.2. Access to Records. You agree to release medical records at no charge to us, and upon request you agree to release medical records to the North Carolina Department of Insurance in conjunction with its regulation of us. We warrant that we have the contractual right with Members to obtain any and all patient information from you for the purpose of making benefit determinations. You agree to obtain any additional Member authorization you determine to be needed for you to release medical records to us.

6.1.3. Patient Confidentiality. Both parties agree to maintain the confidentiality of Member records and personal information and to use Member information only in connection with lawful purposes. Both parties agree that they cannot use or disclose Member records and personal information in any way that is not explicitly authorized by this Agreement or by applicable law. Both parties further agree to comply with the privacy and security obligations set forth by any applicable state or federal law, including (as applicable), but not limited to those set forth in North Carolina's Insurance Information and Privacy Protection Act (Article 39, Chapter 58 of the General Statutes of North Carolina), the Gramm-Leach-Bliley Act, and the privacy and security provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and any regulations promulgated thereunder. In the event of a conflict between or among any applicable laws or regulations described in this Section in which you cannot perform so that all relevant legal authorities are given effect, you shall notify us and we will confer in good faith to reach mutual agreement about which law will govern the performance under this Agreement. To the extent that the privacy and/or security requirements of applicable law conflict with the provisions of this Agreement, the requirements of the applicable law shall prevail.

6.1.4. Survival. The provisions of this Section 6.1 will survive termination of this Agreement.

6.2. Notices.

6.2.1 Notice Options. Any notice to be given under this Agreement will be in writing, addressed to the other party at the address listed below, or such other new address as designated by notice to the other party, and will be effective upon (a) depositing such notice for delivery with the United States Postal Services, postage prepaid, certified or registered mail with return receipt requested; (b) depositing such notice for delivery with a commercial courier service; (c) hand delivery; or (d) electronic notice as described below.

Mailed notices to us will be addressed as follows:

Vice President, Network Management
Blue Cross and Blue Shield of North

Mailed notices to you will be addressed as follows:

Pioneer Health Service of Stokes County,
Inc. d/b/a Pioneer Community Hospital of
Stokes

6.5.1. Contacting Us. In the event that a dispute under this Agreement cannot be addressed to your satisfaction by our customer services department, you should contact our Network Management department.

6.5.2. Non-binding Mediation. Any dispute between the parties concerning or arising out of this Agreement, which cannot be resolved informally in accordance with Section 6.5.1, will be subject to non-binding mediation at the request of either party. However, in no event will this Section 6.5.2 be applied to any dispute that would affect a Member's costs, rights, or coverage, including but not limited to appeals and grievances and utilization review.

6.6. Entire Agreement and Amendments.

6.6.1. Entire Agreement. This agreement, together with the attached Exhibits, provider manual and documents incorporated by reference, constitutes the entire Agreement between the parties. Any prior agreements, promises, negotiations, or representations, either oral or written, relating to the provision of services to Members covered under this Agreement are of no force and effect.

6.6.2. Amendments. This Agreement may be amended by written mutual agreement of the parties, or as follows:

6.6.2.1. Changes in Law. In the event that we determine that federal and/or state law or regulation or NCQA or other applicable accrediting organization requires amendments to this Agreement, we agree to provide you no fewer than sixty (60) days' prior written notice of such amendments and upon expiration of such sixty (60) day period, this Agreement will be automatically amended to include the amendments set forth in our notice.

6.6.2.2. All Other Terms. We may amend any other terms of this Agreement, other than reimbursement terms, by providing no fewer than sixty (60) days' prior written notice to you. At any time, we may amend the Benefit Plan Exhibit by providing no fewer than sixty (60) days' prior written notice to you.

6.7. Governing Law. This Agreement will be governed and construed in accordance with the laws of the State of North Carolina, excluding its choice of law and/or conflicts of law provisions. The parties hereby consent and agree that the venue for any legal action under or relating to this Agreement will be a legally appropriate venue in the State of North Carolina.

6.8. Waiver and Severability.

6.8.1. Waiver. The waiver of either party of a breach or violation of any provision of this Agreement will not be construed to be a waiver of any subsequent breach thereof.

6.8.2. Severability. In the event any provision of this Agreement conflicts with or is rendered invalid or unenforceable by the laws under which this Agreement is to be construed, or if any other provision is held invalid by a court with jurisdiction over the parties to this Agreement, such provision will be deleted from the Agreement and the Agreement will be construed to give effect to the remaining provisions of it.

6.9. Confidentiality. You agree that this Agreement, including but not limited to Member lists, reimbursement rates and methodologies, are competitively sensitive and will not be disclosed to any third party, except your attorney(s), agents and consultant(s), in part or in whole, without our prior written authorization, except as required by law. You agree that all such attorney(s), agents and consultant(s) will first execute an agreement to keep confidential all such information disclosed to them, and you agree to

EFFECTIVE DATE: January 1, 2013

List of Exhibits

Site of Service Exhibit
Benefit Plan Exhibit
Reimbursement Exhibit

Benefit Plan Exhibit

The following are Benefit Plans covered under this Agreement, except to the extent specifically excluded below:

PPO
HMO
Other Members

The following are benefit plans or products not covered under this Agreement:

POS
Medicare Advantage
Medicare Supplement

1.2.11. "High Charge Multiplier" The value as set forth in Attachment 1 of this Reimbursement Exhibit which is used to determine the Allowed Amount for a High Charge Outlier, if applicable.

1.2.12. "High Charge Outlier" An Inpatient case which meets the selection criteria as set forth in Attachment 1 of this Reimbursement Exhibit, and which does not result in an Exclusion or a Low Length of Stay Outlier, if applicable.

1.2.13. "High Charge Threshold" The monetary amount as set forth in Attachment 1 of this Reimbursement Exhibit which is used to determine if an Inpatient case qualifies as a High Charge Outlier, if applicable.

1.2.14. "Inlier" An Inpatient case which: (i) the length of stay either falls on or exceeds the Low Length of Stay Trim Point for the applicable DRG; (ii) does not present any of the factors which would cause the Inpatient case to be considered an Outlier; and (iii) is not an Exclusion, if applicable.

1.2.15. "Inpatient" A hospital admission in which the Member is a registered bed patient beyond the midnight census taking hour and for whom a room and board Charge is applied; for or relating to an Inpatient.

1.2.16. "Inpatient Percent Reimbursement" The Inpatient Percent Reimbursement will be an amount as set forth in Attachment 1, if applicable.

1.2.17. "Length of Stay" The number of days for which the Inpatient services are provided to a Member who is admitted to an Inpatient bed beyond the midnight census taking hour. If the Member is readmitted within three (3) days of a prior discharge, the readmission will be deemed to be a continuation of such prior admission for Allowed Amount purposes. When determining Low Length of Stay Outlier status, the days between the prior discharge and the readmission will in no event be considered a portion of the Length of Stay, if applicable.

1.2.18. "Low Length of Stay Outlier" An Inpatient case for which the Length of Stay is less than the Length of Stay Trim Point and which does not result in a Member Expired or an Exclusion, if applicable.

1.2.19. "Low Length of Stay Trim Point" With respect to each DRG, the number of days set as the lower limit of Inlier status. Length of Stay Trim Points are set forth in Attachment 4 of this Reimbursement Exhibit, if applicable.

1.2.20. "Member Expired" An Inpatient admission during which the Member dies, if applicable.

1.2.21. "Outlier" A hospital admission which is (a) a Low Length of Stay Outlier, or (b) a High Charge Outlier, if applicable.

1.2.22. "Outpatient" A hospital service in which the Member is not a registered bed patient beyond the midnight census taking hour and for whom a room and board Charge is not applied; for or relating to an Outpatient, if applicable.

1.2.23. "Outpatient Category" A system of medically meaningful and statistically significant groupings of outpatient services, each with an assigned fee maximum. Each such grouping is an Outpatient Category. Attachment 5 of this Reimbursement Exhibit sets out the Outpatient Fee Schedule, if applicable.

3.1. Commencing on January 1, 2013, and for the entire time period this Agreement is in effect, the Inpatient Percent Reimbursement Rate, and Outpatient Percent Reimbursement Rate will be subject to adjustment, unless waived in writing by us:

3.2. We will review each of your Inpatient and/or Outpatient Charge Increase and/or Decrease, and when we determine such increase and/or decrease to be material, we will adjust the applicable rates, as listed in this Section 3, then in effect as follows:

3.2.1. Your Inpatient and/or Outpatient Percent Reimbursement will be divided by one (1) plus your applicable Inpatient and/or Outpatient Charge Increase and/or Decrease.

3.2.1.1. The resulting quotient(s) will be the applicable adjusted Inpatient and/or Outpatient Percent Reimbursement.

3.3. You will inform us in writing, by providing to us the information requested in Attachment 3, at least thirty (30) days in advance of any increase and/or decrease in your Charges for your services or supplies.

3.4. We will inform you in writing of any adjustment under this Section 3.

3.5. The effective date of any adjustment under this Section 3 will coincide with the effective date of your Charge Increase and/or Decrease.

4. EXCLUDED SERVICES

4.1. The following services are excluded under all Attachments to this Agreement and must be billed to us under a professional services arrangement pursuant to CMS-1500 or successor claim forms:

4.1.1. Outpatient physical, occupational, and/or speech therapy services billed under UB-92 or successor revenue code 42x, 43x, 44x.

4.1.2. Clinic services billed under UB-92 or successor revenue codes 510, 519 and/or 520.

4.2. The following services are excluded under all Attachments to this Agreement and must be billed to us under an ancillary services arrangement pursuant to UB-92 or successor claim forms:

4.2.1. Skilled nursing services or sub-acute care services billed under UB-92 or successor revenue code 19x

4.2.2. Swing bed services billed under UB-92 or successor revenue code 19x

4.3. The following services are excluded as Covered Services for HMO:

4.3.1. Inpatient behavioral health services

4.3.2. Outpatient behavioral health services

5. HOSPITAL-BASED PHYSICIAN PARTICIPATION

**Reimbursement Exhibit
Other Members**

1. DEFINITIONS

1.2. **Additional Definitions.** In addition to the definitions set forth in Section 1 of the Hospital Participation Agreement, the following additional terms are defined for the purposes of this Reimbursement Exhibit.

1.2.1. "Allowed Amount" The monetary amount calculated in accordance with this Reimbursement Exhibit and all Attachments hereto based on our calculation of your Inpatient or Outpatient Covered Services. The Allowed Amount is calculated before applying deductions including, but not limited to, those for Coinsurance, Copayment, Deductible, non-Covered Services or amounts paid or payable by other parties.

1.2.2. "Charges" Your regularly established charges to the general public and on file with us pursuant to Attachment 5 of this Reimbursement Exhibit. As of the effective date of this Agreement, your Charges are those filed with us as of July 1, 2011.

1.2.3. "Other Members" means a Member for whom you provide health care services who is enrolled in a Benefit Plan which is not an HMO or PPO Benefit Plan.

2. ALLOWED AMOUNT

2.1. For Other Members you agree to accept One Hundred percent (100%) of your Charges.

3. EXCLUDED SERVICES

3.1. The following services are excluded under this Reimbursement Exhibit and must be billed to us under a professional services arrangement pursuant to CMS-1500 or successor claim forms:

3.1.1. Outpatient physical, occupational and/or speech therapy services billed under UB-92 or successor revenue codes 42x, 43x, 44x

3.1.2. Clinic services billed under UB-92 or successor revenue codes 510, 519 and/or 520.

3.2. The following services are excluded under this Reimbursement Exhibit and must be billed to us under an ancillary services arrangement pursuant to UB-92 or successor claim forms:

3.2.1. Skilled nursing services or sub-acute care services billed under UB-92 or successor revenue code 19x

3.2.2. Swing bed services billed under UB-92 or successor revenue code 19x

Attachment 2

Outpatient Covered Services

1. Outpatient Covered Services. The Allowed Amount for Outpatient Covered Services will be your Charges multiplied by the Outpatient Percent Reimbursement.

1.1. For the Outpatient claims adjudicated on our Legacy claims adjudication platform, the Outpatient Percent Reimbursement for the period beginning January 1, 2013 will be sixty-five and zero tenths percent (65.0%).

1.2. For the Outpatient claims adjudicated on our Power MHS claims adjudication platform, the Outpatient Percent Reimbursement for the period beginning January 1, 2013 will be as listed below:

1.2.1	Revenue Codes 300-309	60.0%
1.2.2	Revenue Codes 320-329	60.0%
1.2.3	Revenue Codes 350-359	60.0%
1.2.4	Revenue Codes 420-449	60.0%
1.2.5	Revenue Codes 450	60.0%
1.2.6	All others	63.0%

2. Billing. You agree to include the appropriate revenue codes and CPT/HCPCS code on the claim form submitted to us.

NETWORK PARTICIPATION AGREEMENT
ATTACHMENT 3.1

Supporting Data for Charge Increases and/or Decreases

HOSPITAL _____

Mailing
Address _____

BUDGET YEAR
ENDING _____

I have examined the attached forms and exhibits, schedules, and explanations affixed hereto. To the best of my knowledge and belief, the information set forth herein is factually correct.

Name (Please Print) _____

Signature _____

Date _____

Title _____

Person to be Contacted _____

Title _____

Telephone _____ Ext. _____

E-Mail Address _____

NETWORK PARTICIPATION AGREEMENT
ATTACHMENT 3.3

MEDICAL AND SURGICAL
SUPPLIES AND PHARMACY PRICING FORMULAE

A. MEDICAL AND SURGICAL SUPPLIES

1. Medical and Surgical Supply Pricing Formula

(formula for the budget year must be reported)

2. Indicate if the Medical and Surgical Supply Pricing Formula or markup has changed since the previous period?

☐ Yes ☐ No

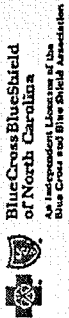
B. PHARMACY ITEMS

1. Pharmacy Item Pricing Formula

(formula for the budget year must be reported)

2. Indicate if the Pharmacy Item Pricing Formula or markup has changed since the previous period?

☐ Yes ☐ No



Blue Cross Blue Shield of North Carolina
As Independent Licensee of the
Blue Cross and Blue Shield Association

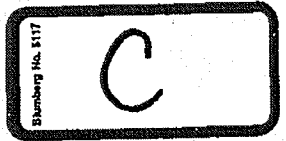
NETWORK PARTICIPATION AGREEMENT ATTACHMENT 3.5
STATEMENT OF ACCOMMODATION CHARGES

GENERAL ACCOMMODATIONS				NURSERY		Name of Hospital	
CLASSIFICATION	# OF BEDS	UB-04 REV	CHARGE	ROUTINE	CHARGE	UB-04 REV CODE	Blue Cross #
SP		0120	\$	PREMATURE	\$	0170	Medicare #
SP		0120	\$		\$	0172	IRS #
SP			\$		\$		Effective Date
WARD		0130	\$		\$		Signature (Hospital CEO or CFO):
WARD			\$		\$		Date:
P		0110	\$	NOTE: Do Not Include Intensive Care Nursery Here, But Rather In Critical Care Unit Section Below.			
P		0110	\$	Licensed Beds (excl. Bassinets)			
P		0110	\$	Bassinets			

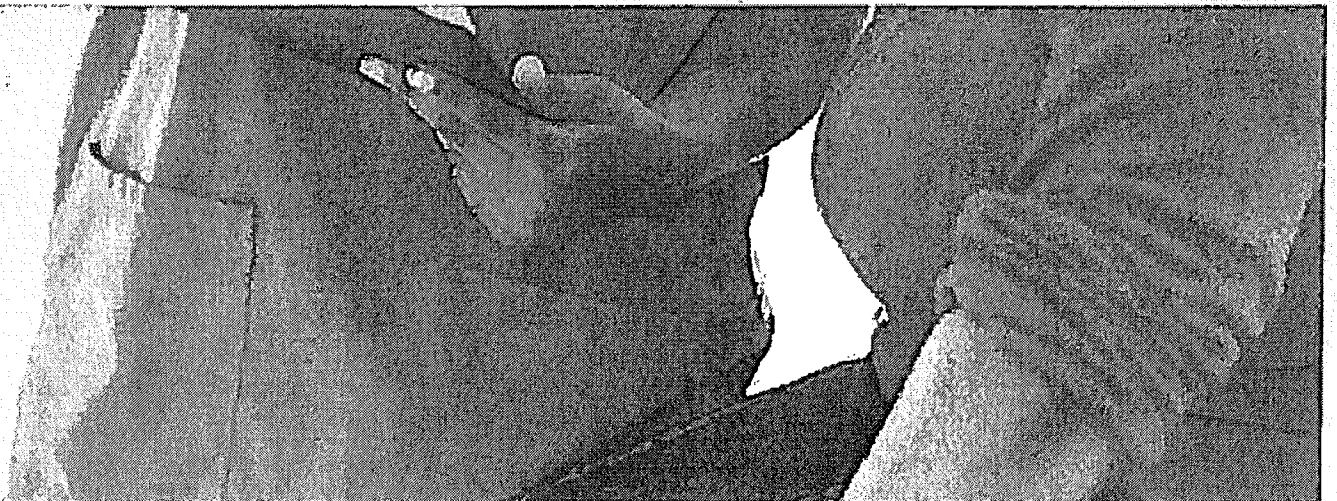
CLINICAL SPECIALTY				CLINICAL SPECIALTY			
CLASSIFICATION	# OF BEDS	UB-04 REV CODE	CHARGE	CLASSIFICATION	# OF BEDS	UB-04 REV CODE	CHARGE
PSYCHIATRIC				ONCOLOGY			
ADULT SP		0124	\$	SP		0127	\$
ADULT P		0114	\$	P		0117	\$
ADOL SP			\$				\$
ADOL P			\$	SUBSTANCE ABUSE			
			\$	SP			\$
CHILD SP			\$	P			\$
CHILD P			\$				\$
			\$	REHABILITATION			
OBSTETRIC				SP			\$
SP		0122	\$	P			\$
P		0112	\$				\$
			\$	OTHER			
PEDIATRIC				SP			\$
SP		0123	\$	P			\$
P		0113	\$				\$



BlueCross BlueShield
of North Carolina



The Blue BookSM Provider e-Manual



5.1 Blue Card overview

Blue Card is a national program that enables members of one (1) Blue Cross and/or Blue Shield (Blue) Plan to obtain health care service benefits while traveling or living in another Blue Plan's service area. The program links participating health care providers with the independent Blue Plans across the country and in many foreign countries and territories worldwide, through a single electronic network for claims processing and reimbursement. Within North Carolina nearly 866,000 members of other Blue Plans are currently residing in the BCBSNC service area (at the time of this publication).

The Blue Card program lets you conveniently submit claims for members from other Blue Plans, including international Blue Plans, directly to BCBSNC. BCBSNC is your single point of contact for Blue Card claims payment, problem resolution and adjustments. The Blue Card inter-plan programs department at BCBSNC is available to assist you with all your out-of-state Blue Plan member claims and claims questions by calling **1-800-487-5522**.

Verification of an out-of-state member's eligibility and benefits can be obtained by calling Blue Card Eligibility at **1-800-676-BLUE (2583)**. Providers with Blue e™ can verify eligibility, benefits and claim status, immediately, and from the convenience of their Web browsers. To find out more about signing up for Blue e™, visit BCBSNC electronic solutions on the Web at bcbsnc.com/content/providers/edi/index.htm, or refer to Chapter 11 of this e-manual.

Due to HIPAA privacy regulations, members from other Blue Plans must contact their Blue Plan directly for all inquiries and related issues.

All claims should be billed to BCBSNC unless otherwise noted on the back of the member's identification card.

5.1.1 Blue Card applicable services

The Blue Card program applies to all inpatient, outpatient and professional claims, including vision and hearing exams; excluding:

- + Prescription drugs
- + Stand-alone dental
- + Stand-alone vision (i.e., hardware and contacts)
- + Federal Employee Program (FEP)

(Members who are part of the FEP will have the letter "R" in front of their member ID number. Please follow the BCBSNC and Federal Employee Program billing guidelines contained within this e-manual). Claims for Blue Card excluded products and services should be filed to the address that's listed on the member's identification card.